



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah Department of Commerce

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

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MEDIA ALERT

Commerce Department revokes Mascot Financial's Credit Services Permit
"Provo-based company directed to cease and desist its debt elimination services"
(For immediate release...)

SALT LAKE CITY, Utah – Francine Giani, Executive Director of the Utah Department of Commerce, announced today that the Division of Consumer Protection has entered an Order to revoke Mascot Financial's Credit Service Organization Permit for operating a credit service company that does not comply with the *Utah Credit Services Organization Act*. The Order alleges Provo-based Mascot Financial violated the *Act* by taking up-front fees from consumers, failing to provide information on a "five day right of cancellation" in Mascot contracts, not delivering debt reduction services to clients, and in some cases, failing to pay off consumers' bills to creditors.

"Mascot Financial claimed consumers would be on a path to financial security once they paid \$4000 dollars upfront," said Francine Giani, "Mascot's credit permit needs to be revoked because they took money from consumers, failed to erase their debt and left some clients even deeper in debt."

On October 5th, the Division of Consumer Protection issued an Administrative Citation against Mascot Financial and its three officers. The Citation alleged that they violated the *Utah Consumer Sales Practices Act* and the *Credit Services Organizations Act* and were ordered to pay a \$270,000 fine to the Division of Consumer Protection. The Division also found that Mascot Financial failed to deliver on debt elimination services and in some cases didn't pay creditors on behalf of 232 consumers who had paid the company upfront for credit services. In addition to the citation, the Division submitted a claim against Mascot Financials' \$100,000 surety bond with Great American Insurance Company to recover the fine. A hearing on this matter is scheduled for November 17, 2006 between the Division of Consumer Protection and Mascot Financial.

On September 15th, the Division of Consumer Protection issued a Notice of Agency Action against Mascot Financial and its officers to revoke Credit Services Organizations permit. The Order to revoke Mascot Financial's Credit Services Organization permit was the result of a hearing between the Division of Consumer Protection and Mascot Financial on October 26, 2006.

For more information contact:

Jennifer Bolton
Public Information Officer
(801) 530-6646 office
(801) 652-8322 cell